Exhibit E

COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss		LEAD CIVIL ACTION NO. 04-0753 BLS (Judge van Gestel)
IN RE SONUS NETWORKS, INC. DERIVATIVE LITIGATION))))	

SUPPLEMENTAL MEMORANDUM OF LAW IN OPPOSITION TO DEFENDANTS' MOTION TO DISMISS

INTRODUCTION

Defendants filed a Motion to Dismiss Plaintiffs' derivative complaints on March 22, 2004 ("Motion to Dismiss"), which the derivative Plaintiffs opposed. On June 11, 2004, this Court held a hearing on the Motion to Dismiss.

On June 29, 2004, Sonus announced that it had received a formal order of private investigation from the Securities and Exchange Commission ("SEC"). The SEC had previously made an informal inquiry into Sonus after Sonus informed the SEC that Sonus had commenced an investigation of its own delay in reporting fourth quarter 2003 and fiscal year ending December 31, 2003 results. The preliminary SEC investigation has now been converted to a formal SEC investigation. See Attachment A.

DISCUSSION

At issue on the Motion to Dismiss is whether plaintiffs were excused from making demand due to the lack of independence or diligence of the Board. Plaintiff submits that the elevation of the SEC's inquiry into a formal investigation suggests that the SEC is dissatisfied with Sonus' own investigation. The formal investigation raises a reasonable doubt as to whether the Defendant's Board of Directors failed to put in place internal controls, policies and procedures to adequately supervise and monitor Sonus' revenue recognition practices in violation of their duties recognized in In re Caremark Intern. Inc. Derivative Litig., 698 A.2d 959, 970 (Del. Ch. 1996) and are continuing to abdicate their responsibilities through the inadequacy of their investigation. See Plaintiffs' Joint Memorandum of Law in Opposition to Defendants' Motion to Dismiss at pp. 13-14.

CONCLUSION

Plaintiffs submit that the Motion to Dismiss should be denied. Alternatively, if the Court is inclined to grant defendants' Motion to Dismiss, Plaintiff requests that such dismissal be made without prejudice to file and amended complaint to add these matters that are still in development.

Respectfully submitted,

Mary T. Sullivan, Esq. BBO#487130

SEGAL ROITMAN & COLEMAN

11 Beacon Street, Suite 500

Boston, MA 02108

Telephone: 617/742-0208 Facsimile: 617/742-2187

Brian J. Robbins, Esq. Jeffrey P. Fink, Esq. ROBBINS UMEDA & FINK, LLP 1010 Second Ave., Suite 2360

San Diego, CA 92101 Telephone: 619/525-3990

Facsimile: 619/525-3991

Nadeem Faruqi, Esq. Shane Rowley, Esq. David H. Leventhal, Esq. **FARUOI & FARUOI** 320 East 39th Street New York, NY 10016 Telephone: 212/983-9330

Facsimile: 212/983-9331

CERTIFICATE OF SERVICE

I, Mary Sullivan, hereby certify that true copies of Plaintiffs' Supplemental Memorandum in Opposition to Defendants' Motion to Dismiss has been served upon Defendants, by service upon their counsel of record, by first-class mail to Daniel Gold, Esq., Wilmer, Cutler, Pickering, Hale & Dorr LLP, 60 State Street, Boston, MA 02109; Robert S. Frank, Esq. and John R. Baraniak, Esq., Choate, Hall & Stewart, Exchange Place, 53 State Street, Boston, MA 02109; Matthew J. Matule, Esq. and Thomas Dougherty, Esq., Skaden, Arps & Slate LLP, One Beacon Street, Boston, MA 02108; and John D. Hughes, Esq., Edwards & Angell LLP, 101 Federal Street, Boston, MA 02110 on this 20th day of July, 2004.



Search Results for Google



June 29, 2004 05:05 PM US Eastern Timezone

Sonus Networks Updates Status of SEC Inquiry

CHELMSFORD, Mass.--(BUSINESS WIRE)--June 29, 2004--Sonus Networks (Nasdaq: SONSE), a leading provider of voice over IP (VoIP) infrastructure solutions, today announced that it has received a formal order of private investigation from the Securities and Exchange Commission. On February 11, 2004, Sonus announced that it had notified the Commission of the Company's independent investigation following the delay in reporting its fourth quarter and full fiscal year financial results for the year ended December 31, 2003. The matter has been the subject of an informal inquiry by the Commission. Sonus has been fully cooperating with the Commission and will continue to cooperate in this formal investigation.

About Sonus Networks

Sonus Networks, Inc. is a leading provider of voice over IP (VoIP) infrastructure solutions for wireline and wireless service providers. With its Open Services Architecture(TM) (OSA), Sonus delivers end-to-end solutions addressing a full range of carrier applications, including trunking and tandem switching, residential and business access, network border switching and enhanced services. Sonus' voice infrastructure solutions, including media gateways, softswitches and network management systems, are deployed in service provider networks worldwide. Sonus, founded in 1997, is headquartered in Chelmsford, Massachusetts. Additional information on Sonus is available at http://www.sonusnet.com.

This release may contain projections or other forward-looking statements regarding future events or the future financial performance of Sonus that involve risks and uncertainties. Readers are cautioned that these forward-looking statements are only predictions and may differ materially from actual future events or results. Readers are referred to the "Cautionary Statements" section of Sonus' Quarterly Report on Form 10-Q, dated November 10, 2003 and filed with the SEC, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. Risk factors include, among others, uncertainties regarding the timing of the Company's completion of the audit and filing of its Annual Report on Form 10-K/A for 2003 and future periodic reports, the possibility that Sonus may be delisted

from Nasdaq, risks as to the litigation and SEC investigation with respect to the foregoing and related matters, unforeseen issues encountered in the completion of the audit, uncertainties regarding the extent to which prior period financial statements will be restated, the continued adverse effect of developments in the telecommunications industry, Sonus' ability to grow its customer base, dependence on new product offerings, market acceptance of its products, competition from large incumbent vendors, rapid technological and market change and manufacturing and sourcing risks. In addition, any forward-looking statements represent Sonus' views only as of today and should not be relied upon as representing Sonus' views as of any subsequent date. While Sonus may elect to update forward-looking statements at some point, Sonus specifically disclaims any obligation to do so.

Sonus is a registered trademark of Sonus Networks. Open Services Architecture, GSX9000, Insignus and Sonus Insight are trademarks of Sonus Networks. All other trademarks, service marks, registered trademarks, or registered service marks are the property of their respective owners.

Terms of Use

© Business Wire 2004

Contacts

Sonus Networks
Investor Relations:
Jocelyn Philbrook, 978-614-8672
jphilbrook@sonusnet.com
or
Media Relations:
Beth Morrissey, 978-614-8579
bmorrissey@sonusnet.com

E	<u>P</u>	rint	this	release	